Annual Report 2023

Mandviwalla MAUSER Plastic Industries Limited

MANDVIWALLA MAUSER PLASTICS INDUSTRIES LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2023

IBRAHIM, SHAIKH & CO
CHARTERED ACCOUNTANTS
259-260 & 403, Panorama Centre, Fatima Jinnah Road,
Karachi-74400
Phones : (92-21) 35210577 - 35673529 – 35671853
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MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMTED
COMPANY INFORMATION

Board of Directors

Mr. Abdul Qadir Shiwani	Chairman /Director
Mr Azeem H. Mandviwalla	Chief Executive/Director
Mrs. Farha Qureshi	Director
Mr. Shamim Ahmed Khan	Director
Mr. Tariq Mehmood	Director
Mr. Naseer Ahmed	Director
Mr. S. Asghar Ali	Director

Board of Audit Committee

Mr. Tariq Mehmood	Member
Mr. Abdul Qadir Shiwani	Member
Mr. Shamim Ahmed Khan	Member

Company Secretary
Ms. Hina Ambreen

Bankers
Habib Metropolitan Bank Limited
SILK Bank Limited

Auditors
Ibrahim Shaikh & Co.
Chartered Accountant

Tax Consultants
F.A.K. Tax consultant

Legal Advisor
Tasawur Ali Hashmi (Advocate)

Registered Office
Mandviwalla Building, Old Queens Road,
Karachi -74000.
Tel: 021-32441116-9 Fax021-32441276
Website: www.mandviwallamauser.com
E-mail: mmpil@cyber.net.pk
info@mandviwalla.net

Shares Registrar
Registrar THK Associates (Pvt.) Limited
Plot No. 32-C, Jami Commercial Street 2,
D.H.A., Phase VII,
Karachi-75500. Pakistan.
(021-111-000-322)

Factory

C-5, Uthal Industrial Estate,
Uthal, District Lasbella, Baluchistan.
Tel: 0853-610333, 0853-203218, Fax: 0853-610393

New Factory Location: - A-68/B, Eastern Industrial Zone, Port Qasim Authority, Karachi

Notice of Annual General Meeting

Notice is hereby given that the **34th Annual General Meeting** of **Mandviwalla MAUSER Plastic Industries Limited** will be held **on Friday, November 24, 2023**, at **11:00 a.m.** at Mandviwalla Building Old Queens Road Karachi to transact the following business-

1. To confirm the minutes of the 34st Annual General Meeting held on November 26, 2022.
2. To receive, consider and adopt the Audited Accounts of the Company along with the Directors' and Auditors' Reports thereon for the year ended June 30, 2023.
3. To appoint the Auditors of the Company and fix their remuneration.
4. To transact any other business with the permission of the Chairman.

By order of the Board of Directors

HINA AMBREEN
Company Secretary

November 03, 2023
Karachi

Notes:

The Members can also provide their comments and questions for the agenda items of the AGM by emailing mandviwalla.investor.relations@thk.com.pk

1. **Book of Closure**

   The share transfer books of the Company will remain closed from November 17, 2023, to November 24, 2023 (both days inclusive).

2. **For appointing proxies**

   A member entitled to attend and vote at this meeting may appoint any other member as his/ her proxy to attend and vote on his/ her behalf. The instrument appointing proxy must be received at the Company's registered office duly stamped and signed not later than 48 hours before the meeting.

   Members are requested to notify our **Registrar THK Associates (Pvt) Ltd, Plot No. 32-C, Jami Commercial Street 2, D.H.A., Phase VII Karachi-75500. Pakistan. (021-111-000-322)** if there is any change in their addresses immediately

   CDC Account Holders will further have to strictly follow the guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities & Exchange Commission of Pakistan.

VISION STATEMENT

To diversity and expand in other related sectors where quality plastic products are not available and fill the gaps in these fields. Increase awareness of our Company and the international quality standards being met nationally and internationally. Further improve whenever possible and identify areas which can be better managed

MISSION STATEMENT

Our mission is to exceed the expectations of our customers in producing, with efficiency, quality plastic products, employing international best practices and applying an integrated approach to product research and development, manufacturing technology, operations management, material procurement, financial management and information system.

Strategic goals:

a) **Achieving customer satisfaction** by manufacturing quality products, timely management of deliveries and after sales support.

b) **Ensuring quality manufacturing** by producing highest quality of plastic products at competitive prices.

c) **Expanding customer base** by exploring new national and international markets and understanding product research and development in plastic products as well as our own market requirement.

d) **Ensuring efficient resource management** by managing human, financial, technical and infrastructural resources to support the above strategic goals and to ensure highest possible value addition to stakeholders.

Core Values:

1. Striving for continuous improvement and innovation with commitment and responsibility;
2. Treating stake holders with respect, courtesy and competence;
3. Practicing highest personal and professional integrity;
4. Maintaining teamwork, trust and support , with open an candid communication;
5. Ensuring cost consciousness in all decisions and operations;

Key Operating And Financial Results
Rupees in Thousand

(Rupees in Million)

Operating Data	2023	2022	2021	2020	2019	2018
Sales (Net)	619.811	458.220	123.106	-	-	-
Cost of sales	(526.090)	(424.443)	(123.078)	(26.741)	(12.066)	(6,327)
Gross Profit /(loss)	93.721	33.777	0.027	(26.741)	(12.066)	(6,327)
Operating Profit/lose	78.808	24.63	(12.83)	(35.733)	(19.209)	(8,161)
Financial Charges	(14.736)	(7.492)	(1.576)	(0.00709)	(0.00452)	(0.00166)
Profit/(lose) before Taxation	49.035	17.442	(4.839)	(36.084)	(19.217)	(8,163)
Profit/(lose) after Taxation	40.699	11.663	(6.735)	(36.084)	(19.217)	(8,163)
Financial Data						
Shareholders equity	(53.32)	(82.81)	(94.74)	(88.528)	(52.958)	(31.132)
Long term liabilities						-
Deferred liabilities	26.333	12	11	10.747	11.689	8.519
Current liabilities	403.14	325	272	161.692	122.724	99.223
Fixed Assets	88.746	36	37	32.727	36.638	38,662
Work in Progress		-	-	4.842	4.625	-
Assest in Bond	19.705	19.705	19.705	19.705	19.705	19.705
Long term deposits	0.431	0.471	0.23171	0.23171	0.23171	0.23171
current assets	287.401	198.16	130.59	26.407	20.253	18.011
Key Ratio						
Gross margin	15.12%	7.371%	0.022%	-	-	-
Operating margin	12.71%	5.37%	-8.21%	-	-	-
Net Profit/Loss	6.57%	2.55%	-5.47%	-	-	-
Current ratio*	0.71	0.61	0.48	0.163	0.16	0.19
Earning/(loss) per share	1.41	0.41	(0.23)	(4.91)	(2.61)	(1.11)
Dividend			-	-	-	
Production (Tons)						
Installed	5475	4,275	4,275	4,275	4,275	4,275
Actual	1180	1,111	464	-	-	-

چیئرمین کا جائزہ

بورڈ آف ڈائریکٹرز کے منتخب صدر نشین ہونے کی حیثیت سے مورخہ 30 جون 2023 کو اختتام پذیر ہونے والے سال کی یہ رپورٹ معزز شیئر ہولڈرز کی خدمت میں پیش کرتے ہوئے مجھے دلی مسرت محسوس ہو رہی ہے جو بورڈ آف ڈائریکٹرز کی مجموعی کارکردگی اور اپنے اہداف و مقاصد کے حصول کی سمت کی جانب رہنمائی کرنے میں ان کی افادیت سے متعلق ہے۔ اس قدر مشکل کاروباری صورت حال میں بھی کمپنی کے منافع میں اضافہ کرنے کی غرض سے بورڈ اور انتظامیہ کی کاوشوں کو میں قدر کی نگاہ سے دیکھتا ہوں اور یہ اعلان کرتے ہوئے مجھے خوشی ہو رہی ہے کہ کام شروع کرنے کے تیسرے برس میں کمپنی تمام تر ملکی اور عالمی چیلنجوں کے باوجود اپنا منافع بڑھانے کے قابل ہوگئی ہے۔

چیئرمین، بورڈ آف ڈائریکٹرز

کراچی: مورخہ 02 نومبر 2023ء

Chairman's Review

As the elected Chairman of the Board of Directors, It is my pleasure to present this report to the shareholders of the Company for the year ended June 30, 2023, pertaining to the overall performance of the Board of Directors and their effectiveness in guiding the Company towards accomplishing its aims and objectives. I appreciate the efforts of the Board and Management for increasing profitability under such extreme business conditions. I am pleased to announce that Company has been able to increase its revenue and profitability in its 3rd year of operation with all the challenges effecting globally.

Chairman of the Board of Directors
Karachi: November 02, 2023

Chairman/Directors' Report

The Board of Directors of the company are presenting the 35th Annual Report and Audited Financial Statements of the company for the year ended June 30, 2023.

Financial Results

Financial results are summarized as under.

	2023 Rupees	2022 Rupees
Sales (Net)	619,811,475	458,220,357
Gross profit/(Loss)	93,721,302	33,777,169
Net profit/(loss)after taxation	40,699,170	11,663,017
Accumulated losses	(456,522,266)	(486,005,393)
Earnings per share	1.42	0.41

Sales

The net sales revenue was Rs 619.811 million as compared to the previous year of Rs 458.220 million. The company was able to achieve an increase in revenue of 35.27% under extremely tough market and economic conditions.

The main growth has been attributed to Chemical and Food sectors. The company has already expanded to 250 litre drums in Blow molding packaging, however due to the extremely difficult economic and market situation was not able to launch this product. In 2022 -2023.

After-Tax Profit/Loss and Accumulated losses

The Profit after tax has grown to Rs.40.699 million during the year as compared to a profit of Rs.11.663 million the year before. The gross profit grew to 15% as compared to 9% the year before.

Auditors' report to the members

Our auditor, M/s Ibrahim, Shaikh & Co Chartered Accountants has highlighted certain matters in their reports to the members on the financial statements for the year under review. The respective explanations are as follows.

1. The auditors have given qualification on the going concern assumption that the going concern assumption used in preparation of these financial statements is inappropriate; consequently the assets and liabilities should have been stated at their realizable and settlement amounts respectively However, the management is of the view that the sponsors are continuously injecting funds into the company and as on June 30, 2023 already provided Subordinated loans to the Company amounting to Rs 115.714 million. The company has also obtained interest-free short term loan from M/s Meskay and Femtec Trading Company (pvt) Ltd amounting to Rs 156.762 million. The Company has a unique product mix and the highest credibility in their field. The European technology is unique due to which condition in the future are expected to become favorable. The company has elaborated the factors in note 1.1 to the financial statements, and that has been considered in preparation of the financial statements on going concern basis.

2. The Auditors qualified that the management has not carried out a review of operating fixed assets to determine the impairment in the carrying values under IAS 36 "Impairment of assets". Consequently, the amounts for these assets are stated as per the stated accounting policy and no adjustment has been made in respect of impairment loss, if any. The management is making efforts and such review will be carried out in the coming year.

3. Provision for impairment loss of engineering stores in bond of Rs. 19.705 million have not been made as these are still lying in the bonded warehouse therefore, the amount of loss cannot be ascertained with certainty. Further explanation is given in note Note 17.1.1 to the financial statements.

4. The company has not recorded any additional liability under section 205 of the income tax ordinance 2001, on deposition of third party tax as mentioned in note No.17.1.2 into federal treasury within the stipulated period. The company expects to satisfy the auditors to the full regarding the same as all obligation have been discharged according to law and proof of which will be provided subsequently to the auditors.

5. "Store spares and loose tools" and "Stock in trade" items have been recorded at realizable value and as per management assessment no provision against these

items are required. However, independent revaluation of "Store spares and loose tools" and "Stock in trade" will be carried out in 2024.

6. The management is making effort in contacting these creditors to verify their balance to our auditors.

7. Unclaimed Dividend represents unclaimed dividends of Sponsors and they have given their consent that these unclaimed dividend are payable on demand.

Auditors
The present auditors M/s Ibrahim, Shaikh & Co, Chartered Accountants retire and being eligible to offer themselves for reappointment.

Statement on Corporate and Financial Reporting Frame Work

The Directors are pleased to state that the Company is compliant with the provisions of the Code of Corporate Governance as required by Securities & Exchange Commission of Pakistan (SECP). Following are statements on Corporate and Financial Reporting Framework:

a) The Financial Statements prepared by the management of the Company present its state of affairs fairly, the results of its operations, cash flows and changes in equity.

b) Proper books of accounts of the company have been maintained.

c) Appropriate accounting policies have been consistently applied in the preparation of the financial statements. Accounting estimates are based on reasonable prudent judgment.

d) International accounting standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from if any, has been adequately disclosed.

e) The system of financial controls, which was in place, is being continuously reviewed by the management for improvement of internal audit and other procedures. The process of review will continue and any weaknesses in the controls will be removed.

f) The going concern assumption is discussed in note 1.1 to the financial statements.

g) There has been no material departure from the best practice of the corporate governance, as detailed in the listing regulation.

h) Key operating & financial data for the last six years in summarized, form is annexed.

i) In view of the losses sustained, the company has not declared dividend during the year.

j) Outstanding taxes & levies:
Please refer to note 27 to the annexed financial statements

k) During the year four meetings of the board of directors were held. Attendance by each director is as follows:-

Board of Directors	No. of meeting Attended
Mr. Azeem H. Mandviwalla	04
Mr. Tariq Mehmood	04
Mr. Abdul Qadir Shawani	04
Mr. Naseer Ahmed	04
Mr. Syed Asghar Ali	04
Mr. Shamim Ahmed Khan	04
Ms. Farah Qureshi	00

Leave of absence was granted to director who could not attend of the board meetings.

The Audit Committee held Two (2) meeting during the year. Attendance by each member was as follows:

Members Name	No. of meeting Attended
Mr. Qadir Shiwani	02
Mr. Tariq Mehmood	02
Mr. Shamim Ahmed Khan	02

l) The total number of directors are seven as per the following:

a) Male: Six
b) Female: One

m) The composition of the Board of Directors ("the Board") is as follows:

Category	Names
Independent Director	Nil
Other Non-Executive Directors	Mst. Farah Qureshi
	Mr. Shamim Ahmed Khan
	Mr. Tariq Mahmood
	Mr. Abdul Qadir Shiwani
	Mr. Naseer Ahmed
	Mr. Syed Asghar Ali
Executive Directors *	Mr. Azeem Hakim Mandviwalla *

n) The Board has formed committees comprising of members given below:

a. Audit Committee
   i. Mr. Tariq Mehmood -Chairman
   ii. Mr. Abdul Qadir Shiwani
   iii. Mr. Shamim Ahmed Khan

b. The Board has not formed an HR and Remuneration Committee

Directors' Remuneration Policy

The Board is authorized to determine the remuneration / fee of its Directors for attending meetings of the Board. No remuneration shall be paid for attending meetings of the Committee(s) of the Board and for attending General Meeting(s) or any other business meeting(s) of the company. The details of fee paid during the year and remuneration package of Chief Executive Officer are disclosed in note 29 to the financial statements.

Future Outlook

The outlook of the plastic packaging industry looks promising. The packaging industry is expected to grow at a rate of around 10%. However, as Pakistan does not manufacture any of the commodity plastic grades in Polyolefins it is highly dependent on imported material from the Gulf region. The company has already expanded into 250 litre L- Ring drums and plans to further increase its range of products by next year.
It will introduce 120 litre & 160 litre Open Top drums along with starting jerrycan production from 20 to 40 litre capacity.

The company also plans to start its range of industrial crates and containers.

Acknowledgment

It is our privilege to share with you our deep appreciation of the sincerity and dedication of our company employees who are our main asset.

We would also like to express our gratitude for the support and co-operation of our valued customers, shareholders, suppliers and financial institutions.

On behalf of the Board of Directors

Azeem H. Mandviwalla
Shiwani
Chief Executive

Abdul Qadir Shiwani

Chairman/Director

Karachi
Dated: November 02, 2023

چیئرمین/ ڈائریکٹرز کی رپورٹ

کمپنی کا بورڈ آف ڈائریکٹرز مورخہ 30 جون 2023 کو اختتام پذیر ہونے والے مالی سال کے لئے 35 ویں سالانہ رپورٹ ہمراہ آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے دلی مسرّت محسوس کر رہا ہے۔

مالیاتی نتائج

مالیاتی نتائج کا خلاصہ درج ذیل ہے:۔

	2023 روپے	2022 روپے
فروخت (خالص)	619,811,475	458,220,357
خام نفع/ (نقصان)	93,721,302	33,777,169
خالص نفع/ (نقصان) بعد از ٹیکس	40,699,170	11,663,017
مجموعی نقصانات	(456,522,266)	(486,005,393)
فی شیئر کمائی	1.42	0.41

فروخت

گزشتہ سال کی 458.220 ملین روپے کی بہ نسبت زیر جائزہ سال کے دوران خالص آمدنی 619.81 ملین روپے رہی۔ مارکیٹ اور معیشت کو درپیش انتہائی سخت حالات کے باوجود کمپنی آمدنی میں 35.27% اضافہ کرنے کے ہدف کے حصول میں کامیاب رہی۔

یہ بڑھوتی زیادہ تر کیمیکل اور فوڈ سیکٹروں میں عمل میں آئی۔ کمپنی Blow مولڈنگ پیکیجنگ میں 250 لیٹر گنجائش والے ڈرموں تک توسیع کر تو چکی ہے تاہم مارکیٹ اور معیشت کی مشکل صورت حال کے سبب 2022-2023 کے دوران یہ صناع مارکیٹ میں پیش نہیں کر سکی ہے۔

بعد از ٹیکس نفع/ نقصان اور جمع شدہ نقصانات

زیر جائزہ سال کے دوران بعد از ٹیکس منافع 40.699 ملین روپے تک بڑھ گیا جو گزشتہ برس کی اسی مدت کے دوران 11.663 ملین روپے رہا تھا۔

ممبرز کے نام آڈیٹرز کی رپورٹ

زیر جائزہ برس کے مالیاتی گوشواروں کے بارے میں ممبران کے نام اپنی رپورٹ میں ہمارے آڈیٹرز میسرز ابراہیم، شیخ اینڈ کمپنی چارٹرڈ اکاؤنٹینٹ نے چند یقینی امور کو اجاگر کیا ہے۔ ان کی وضاحتیں ذیل میں پیش کی جارہی ہیں۔

1۔ آڈیٹرز نے چلتے کاروباری ادارے کے مفروضے کو سند دی ہے کہ ان مالیاتی گوشواروں کی تیاری میں چلتے کاروباری ادارے کے لئے جو مفروضہ استعمال کیا گیا ہے وہ موزوں نہیں؛ چناں چہ اثاثہ جات اور بار یا قرضے کی بالترتیب قابل وصولی اور قابل تصفیہ رقوم بتائی جانی چاہئیں تھیں۔ دوسری جانب انتظامیہ کا نقطہ نگاہ یہ ہے کہ اسپانسرز کمپنی کو فنڈز مسلسل فراہم کر رہے ہیں اور مورخہ 30 جون 2023 تک کمپنی کو 115.714 ملین روپے مالیت کے ماتحت قرضے دیئے جاچکے ہیں۔ کمپنی نے M/s Meskay and Femtee Trading Company (pvt) Ltd سے 156.762 ملین روپے کا قلیل مدتی بلاسود قرضہ بھی حاصل کیا ہے۔ کمپنی منفرد مصنوعات کے ایک سلسلے اور اپنے شعبے میں بلند ترین ساکھ کی بھی مالک ہے۔ اسے حاصل یورپی ٹیکنالوجی منفرد ہے۔ یہی وجہ ہے کہ ہمیں امید ہے کہ مستقبل ہمارا ہوگا۔ ان عوامل کی وضاحت کمپنی نے مالیاتی گوشواروں کے نوٹ 1.1 میں کردی ہے اور چلتے کاروباری ادارے کی بنیاد پر مالیاتی گوشواروں کی تیاری میں ان عوامل کو مدنظر رکھا گیا ہے۔

2۔ آڈیٹرز نے سند دی ہے کہ IAS 36 ''اثاثوں کی تخریب'' کے تحت carrying value میں تخریب کے تعین کی غرض سے کوئی جائزہ نہیں لیا ہے۔ چناں چہ ان اثاثوں کی رقوم بیان کردہ اکاؤنٹنگ پالیسی کے مطابق ہی درج کی گئی ہے اور تخریب کے نقصان، اگر کوئی ہے، میں کوئی مطابقت (adjustment) نہیں لائی گئی ہے۔ کمپنی کی انتظامیہ اس ضمن میں جدوجہد کررہی ہے اور یہ جائزہ آئندہ سال میں لیا جائے گا۔

3۔ مبلغ 19.705 ملین روپے کے بونڈ میں رکھے انجینیئرنگ اسٹورز کے تخریبی نقصان کی بھرپائی نہیں کی جاسکی ہے کیوں کہ یہ اشیاء تاحال بونڈڈ ویئر ہاؤس میں رکھی ہیں چناں چہ نقصان کی رقم کا تعین یقین سے نہیں کیا جاسکتا۔ مزید وضاحت مالیاتی گوشواروں کے نوٹ 7.1.1 میں پیش کردی گئی ہے۔

4۔ جیسا کہ نوٹ نمبر 17.1.2 میں مذکور کیا گیا ہے، کمپنی نے تھرڈ پارٹی ٹیکس مقررہ مدت کے اندر وفاقی خزانے میں جمع کرانے پر انکم ٹیکس آرڈیننس 2001 کی دفعہ 205 کے تحت کوئی اضافی بار یا قرض ریکارڈ نہیں کیا ہے۔ کمپنی کو توقع ہے کہ اس ضمن میں وہ آڈیٹرز کو پوری طرح مطمئن کردے گی کیوں کہ تمام ذمہ داریاں قانون کے مطابق ادا کی گئی ہیں اور اس کے ثبوت آڈیٹرز کو پیش کردیئے جائیں گے۔

5۔ ''فاضل پرزہ جات اور کھلے اوزار'' اور ''تجارتی مال'' کے آئٹمز کی قابل وصولی قیمتیں درج کی گئی ہیں اور انتظامیہ کے

اندازے کے مطابق ان آئٹمز کے لئے کوئی شرط درکار نہیں۔ تاہم ''فاضل پرزہ جات اور کھلے اوزاروں'' اور ''مالِ تجارت'' کی آزاد قدر کاری 2024 میں کی جائے گی۔

6۔ انتظامیہ اپنے قرض خواہوں سے رابطہ کرنے کی کوشش کررہی ہے تا کہ ان کے بقایا جات کی تصدیق آڈیٹرز کے پاس کی جا سکے۔

7۔ غیر دعویٰ شدہ منافع منقسمہ اسپانسرز کے غیر دعویٰ شدہ منافع منقسمہ کو ظاہر کرتا ہے اور اس ضمن میں انہوں نے اپنی رضامندی دے دی ہے کہ غیر دعویٰ شدہ منافع منقسمہ طلب کرنے پر قابل ادائیگی ہوگا۔

آڈیٹرز

موجودہ آڈیٹرز میسرز ابراہیم، شیخ اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹ ریٹائر ہو رہے ہیں البتہ دوبارہ تقرر ری کے لئے اہل ہونے کے سبب انہوں نے اپنی خدمات دوبارہ پیش کی ہیں۔

کارپوریٹ اور فنانشیل رپورٹنگ فریم ورک پر بیان

ڈائریکٹرز کو یہ بیان کرتے ہوئے مسرّت ہو رہی ہے کہ کمپنی، جیسا کہ سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی شرط ہے، کوڈ آف کارپوریٹ گورنینس پر مکمل طور سے عمل پیرا ہے۔ کارپوریٹ اور فنانشیل رپورٹنگ فریم ورک پر بیانات درج ذیل ہیں:

a) کمپنی کی انتظامیہ کے تیار کردہ مالیاتی گوشوارے کمپنی کے حالات، اپنے آپریشنز کے نتائج، نقدی کے بہاؤ اور ایکویٹی میں تبدیلیوں کو بے لاگ اور غیر جانب دارانہ انداز سے ظاہر کرتے ہیں۔

b) کمپنی کے کھاتوں کی کتب موزوں طور سے تیار کی جاتی ہیں۔

c) مالیاتی گوشواروں کی تیاری میں موزوں اکاؤنٹنگ پالیسیوں کا مستقلاً نفاذ کیا گیا ہے۔ اکاؤنٹنگ تخمینہ جات معقول اور چوکسی سے کئے گئے فیصلوں پر بنیاد کرتے ہیں۔

d) مالیاتی گوشواروں کی تیاری میں پاکستان میں قابل نفاذ اکاؤنٹنگ کے عالمی معیارات پر عمل کیا گیا ہے اور کسی بھی انحراف، اگر ہو، کو موزوں طور سے ظاہر کیا گیا ہے۔

e) مالیاتی انضباط کا نظام جو پہلے سے موجود ہے، انتظامیہ اس پر مسلسل نظر ثانی کر رہی ہے تا کہ اندرونی محاسبہ (انٹرنل آڈٹ) اور دیگر پروسیجروں کو بہتر بنایا جا سکے۔ نظر ثانی کا عمل جاری رہے گا اور انضباط میں کسی بھی کمزوری کو دور کر دیا جائے گا۔

f) جاری کاروباری ادارے کے مفروضے پر مالیاتی گوشواروں کے نوٹ 1.1 میں بحث کی گئی ہے۔

g) لسٹنگ ریگولیشنز میں کی گئی صراحت کے مطابق کارپوریٹ گورنینس کے بہترین معمولات سے کوئی ماڈی انحراف نہیں کیا گیا ہے۔

h) گزشتہ چھ برسوں کے اہم آپریٹنگ اور فنانشیل ڈیٹا خلاصے کی صورت میں منسلک کر دیا گیا ہے۔

i) نقصانات کے سبب کمپنی نے دوران سال منافع منقسمہ کا اعلان نہیں کیا ہے۔

j) **قابل ادائیگی ٹیکس اور محصولات:**

ازراہ مہربانی مالیاتی گوشواروں سے منسلک نوٹ نمبر 27 ملاحظہ کیجئے۔

k) سال کے دوران بورڈ آف ڈائریکٹرز کے چار اجلاس منعقد کئے گئے۔ ہر ڈائریکٹر کی اجلاسوں میں حاضری کی صورت حال درج ذیل ہے:۔

بورڈ آف ڈائریکٹرز	اجلاسوں کی تعداد اور حاضری
جناب عظیم ایچ مانڈوی والا	04
جناب طارق محمود	04
جناب عبدالقادر شیوانی	04
جناب نصیر احمد	04
جناب سید اصغر علی	04
جناب شمیم احمد خان	04
محترمہ فرح قریشی	00

کسی وجہ سے بورڈ کے اجلاسوں میں شرکت نہ کر سکنے والے ڈائریکٹرز کو رخصت عنایت کی گئی۔

دوران سال آڈٹ کمیٹی کے دو (2) اجلاسوں کا انعقاد ہوا۔ اجلاسوں میں ہر ممبر کی حاضری کی صورت حال درج ذیل ہے:۔

اراکین کا نام	اجلاسوں کی تعداد اور حاضری
جناب قادر شیوانی	02
جناب طارق محمود	02
جناب شمیم احمد خان	02

l) ڈائریکٹرز کی کل تعداد سات ہے جو مطابق ذیل ہے:

(a) حضرات...... چھ

(b) خاتون...... ایک

m) بورڈ آف ڈائریکٹرز (''بورڈ'') کی ترکیب بمطابق ذیل ہے:

کیٹگری	نام
آزاد ڈائریکٹر	کوئی نہیں
دیگر نان ایگزیکٹو ڈائریکٹرز	محترمہ فرح قریشی جناب شمیم احمد خان جناب طارق محمود جناب عبدالقادر شیوانی جناب نصیر احمد جناب سید اصغر علی
ایگزیکٹو ڈائریکٹرز*	جناب عظیم حکیم مانڈوی والا*

n) بورڈ نے کمیٹیاں تشکیل دی ہیں جو درج ذیل اراکین پر مشتمل ہیں:

a۔ آڈٹ کمیٹی

i۔ جناب طارق محمود......چیئرمین

ii۔ جناب عبدالقادر شیوانی

iii۔ جناب شمیم احمد خان

b۔ بورڈ نے ایچ آر اینڈ ریمیونریشن کمیٹی کی تشکیل نہیں کی ہے۔

ڈائریکٹرز کے معاوضے کی پالیسی

بورڈ، اپنے اجلاسوں میں شرکت کے عوض ڈائریکٹرز کے معاوضے/فیس کا تعین کرنے کا اختیار رکھتا ہے۔ بورڈ کی کمیٹیوں اور عام اجلاسوں اور کمپنی کے دیگر امور نمٹانے کی غرض سے بلائے جانے والے اجلاسوں میں شرکت کے عوض کوئی معاوضہ ادا نہیں کیا جائے گا۔ دوران سال ادا کی گئی فیسوں کی تفصیلات اور چیف ایگزیکٹو آفیسر کے معاوضے کا پیکیج مالیاتی گوشواروں کے نوٹ نمبر 29 میں ظاہر کیئے گئے ہیں۔

مستقبل کا منظر نامہ

پلاسٹک کی صنعت کے مستقبل کا منظر نامہ بہت شان دار ہے۔ پیکیجنگ انڈسٹری میں لگ بھگ 10% بڑھوتی کی توقع ہے۔

تاہم چوں کہ پاکستان پولی اولنس میں تجارتی معیار کی پلاسٹک تیار نہیں کرتا لہٰذا یہ صنعت خلیج کے خطے سے درآمد کیے جانے والے میٹیریل پر بھاری انحصار کرتی ہے۔ کمپنی اپنے پلانٹ میں 250 لیٹر گنجائش والے L رنگ ڈرموں کی تیاری تک توسیع دے چکی ہے اور آئندہ برس تک اپنی مصنوعات کے سلسلے میں مزید اضافے کا منصوبہ رکھتی ہے۔

کمپنی 20 سے 40 لیٹر گنجائش والے جیری کین کی پیداوار شروع کرنے کے ساتھ ساتھ 120 لیٹر اور 160 لیٹر گنجائش والے اوپن ٹاپ ڈرموں کو بھی مارکیٹ میں پیش کرے گی۔

کمپنی صنعتی استعمال کے کریٹوں اور کنٹینروں کے سلسلے کی پیداوار شروع کرنے کا بھی منصوبہ بنا رہی ہے۔

اظہارِ تشکر

جس خلوص اور نیک نیتی کے ساتھ ہماری کمپنی کے ملازمین ہمارے ساتھ کھڑے رہے ہیں، اس کے لئے اظہارِ تشکر ہمارے لئے اعزاز ہے۔ ہمارے ملازمین ہمارا سب سے بڑا اور قیمتی اثاثہ ہیں۔

اپنے قابل قدر گاہکوں، شیئر ہولڈروں، سپلائرز اور مالیاتی اداروں کی اعانت اور تعاون کا بھی ہم دل کی گہرائیوں سے شکریہ ادا کرنا چاہیں گے۔

منجانب بورڈ آف ڈائریکٹرز

عبدالقادر شیوانی
چیئرمین/ ڈائریکٹر

عظیم ایچ مانڈوی والا
چیف ایگزیکٹو

کراچی

مورخہ 02 نومبر 2023ء

IBRAHIM, SHAIKH & CO
CHARTERED ACCOUNTANTS

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Mandviwalla MAUSER Plastic Industries Limited (the Company) for the year ended June 30, 2023 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2023.

Further, we highlight below instances of non-compliance with the requirements of the code as reflected in the notes in the statement of compliance.

	Note reference	Description	Non-Compliance
i)	2	Composition of the board	No Independent Director
ii)	4	Code of Conduct	Company has not prepared Code of Conduct.
iii)	9	Directors Training	No orientation course for Directors arranged.

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iv)	12	Audit Committee and HR and Remuneration Committee	No Independent Director in Audit Committee and None of the member is financially literate. The Board has not formed an HR and remuneration Committee
v)	14	Meeting of Audit Committee and HR Remuneration Committee	No meeting of HR Remuneration was held

Ibrahim Sh. & Co.

Karachi.
Date: 03 NOV 2023

UDIN : CR2023102032d3is6xrH

Ibrahim, Shaikh & Co.
Chartered Accountants
Engagement Partner Ghulam Mudassar FCA

CamScanner

Statement of Compliance

With the Code of Corporate Governance for the year ended June 30, 2023.

Mandviwalla MAUSER Plastic Industries Limited ("the Company") has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Regulations") in the following manner:

1. The total number of directors are seven as per the following:
   a) Male: Six
   b) Female: One

2. The composition of the Board of Directors ("the Board") is as follows:

Category	Names
Independent Director	Nil
Other Non-Executive Directors	Mst. Farah Qureshi
	Mr. Shamim Ahmed Khan
	Mr. Tariq Mahmood
	Mr. Abdul Qadir Shiwani
	Mr. Naseer Ahmed
	Mr. Syed Asghar Ali
Executive Directors *	Mr. Azeem H. Mandviwalla *

*The Chief Executive of the Board is an Executive Director.

3. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.

4. The Company has not prepared a Code of Conduct.

5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of significant policies along with the dates of approval or updating is maintained by the company.

6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 and these Regulations.

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the

requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the board.

8. The Board of Directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. The Directors were apprised of their duties and responsibilities from time to time. The directors remained non compliant with the provision with regard to their directors' training program. The company has an arrangement to hold orientation course for their directors in coming year.

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.

12. The Board has formed committees comprising of members given below:

    a. Audit Committee
        i. Mr. Tariq Mehmood -Chairman
        ii. Mr. Abdul Qadir Shiwani
        iii. Mr. Shamim Ahmed Khan

    Audit Committee comprises three non- executive directors and no independent director and None of the member is financially literate.

    b. The Board has not formed an HR and Remuneration Committee

13. The terms of reference of the Audit Committee have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings of the aforesaid committees were as per following:

    a. Audit Committee: Quarterly
    b. No HR and Remuneration Committee formed

15. The Board has set up effective internal audit functions comprising of personal who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan ("the ICAP") and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-

dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except with the Act, the Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all other requirements of the Regulations 3, ,7, 8, , 32, 33 and 36 of the Regulations have been complied with excluding Regulation No 6 and 27 are explained below.

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S. No.	Requirement	Explanation	Reg. No
1	Independent Director	No Independent Director	6
2	Audit Committee.	No Independent Director in Audit Committee. and None of the member is financially literate	27

19 We confirm that the Company has complied with respect to all other material requirements of the Regulation.

Azeem

Azeem H. Mandviwalla
Chief Executive

Abdul Qadir Shiwani
Chairman

Karachi: November 02, 2022

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED

Report on the Audit of the Financial Statements

Adverse Opinion

We have audited the annexed financial statements of Mandviwalla MAUSER Plastics Industries Limited (the Company), which comprise the statement of financial position as at June 30, 2023, and the statement of profit or loss account, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and except as discussed in the paragraph basis for adverse opinion below, we state that we have obtained all the information and explanations which, to the best of our Knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to explanations given to us, the statement of financial position, statement of profit or loss account, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof do not conform with the accounting and reporting standards as applicable in Pakistan and do not give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively do not give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the profit, the comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Adverse Opinion

- The financial statements for the year ended June 30, 2023 have been prepared on going concern assumption despite of the fact that as of that date the company has accumulated losses of Rs.456.522 million which resulted in negative equity of Rs 53.326 million and its current liabilities exceeded its current assets by Rs. 115.740 million and total assets by Rs 26.993 million. Furthermore, management's assertion as explained fully in note 1.1 we have not been furnished evidence in support of the management's assertion that they shall succeed in their efforts. These conditions lead us to be believe that going concern assumption used in preparation of these financial statements is inappropriate; consequently the assets and liabilities should have been stated at their realizable and settlement amounts respectively.

- The management has not carried out a review of operating fixed assets to determine the impairment in the carrying values under IAS 36 "Impairment of assets". Consequently, the amounts for these assets are stated as per the stated accounting policy and no adjustment has been made in respect of impairment loss, if any.

- Company's policy for impairment of assets in respect of engineering stores in bond, having cost of Rs.19.705 million is contrary to International Accounting Standard (IAS-36) "Impairment of

Assets". The customs authorities allegedly damaged the said stores. No provision for impairment loss has been made in financial statements in this respect. The company has filed a suit against the customs authorities. Since, the engineering stores are held in bond, the extent of damage occurred could not be ascertained with reasonable certainty.

Had the company made the provisions the loss for the year, accumulated losses and net capital deficiency of the company would have been higher by Rs. 19.705 million.

- As mentioned in note 17.1.2 to the financial statements, the company has not recorded any additional tax liability under section 205 of the Income Tax Ordinance, 2001 that the company may incur on non-deposit of third party tax liability in the government treasury within stipulated time. Since the age of the tax liability is not ascertainable, the estimate of the financial effect cannot be quantified with substantial accuracy.

- The balance under the head "Stores" and "Stock in Trade" amounting to Rs. 7.945 million and Rs. 6.417 million, respectively, which is unmoved from the last ten years. The Company has not recorded any provision against these slow moving "Stores" and "Stock in Trade" items and we have not been provided NRV working of these items.

  Had the company made the provisions the loss for the year, accumulated losses and net capital deficiency of the company would have been higher by Rs. 14.362 million.

- Included in the trade creditors and Contract Liabilities shown in note 13 to the financial statements is an amount of Rs. 49.617 million and Rs. 0.845 million respectively in respect of various parties, which remain unverified. In the absence of information we were unable to verify the actual liability against these creditors and contract liabilities;

- Unclaimed Dividend amounting to Rs 2.209 Million. However balance as per Dividend account in MCB (account No 10075-9) amounting to Rs Nil.

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the adjustment in respect of matters stated in Basis for Adverse Opinion above which may have a pervasive effect due to their materiality, we have determined that there is one other key audit matters to communicate in our report :

S No	Key audit matter	How the matter was addressed in our audit
1	Valuation of Stock –in- trade	
	As June 30, 2023 the Company held stock-in-trade amounting to Rs 131.343 million, constituting 35% of total assets, as disclosed in note 9 to the financial statements. As described in note 4.4 to the financial statements stock-in- trade is measured at lower of cost and net realizable value. The cost of raw materials determined by using moving average basis and finished goods is determined at average manufacturing cost including a proportion of production overheads. Due to the significance of stock balance and management judgements in determining the carrying value of stock-in-trade, this is considered a key audit matter.	Our key audit procedures in respect of valuation of stock-in-trade included : ▪ Attended the physical count of stock-in-trade and observed the said parameters along with the Employees of the Company. ▪ Obtain an understanding of the company's process with respect to valuation of stock-in-trade and tested controls relevant to such process. ▪ Assessed appropriateness of the Company's accounting policies for valuation of stock-in-trade and compliance of those policies with applicable accounting standards. ▪ Tested the calculation of raw material and finished goods and assess the appropriateness of management's basis for the allocation of cost and production overheads, and test the calculation of net realizable value. ▪ Compare the NRV to the cost of stock-in-trade to assess whether any adjustment are required in value stock-in-trade in accordance with the accounting policy; and ▪ Checked that the presentation and disclosures related to stock-in trade are in accordance with the applicable accounting and reporting standards.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Except for the adjustment in respect of matters stated in Basis for Adverse Opinion above which may have a pervasive effect due to their materiality, we further report that in our opinion:

(a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

(b) the statement of financial position, the statement of profit or loss account, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have not been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

(c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

(d) no Zakat was deductible at source under the Zakat and Ushr Ordinance,1980 (XVIII of 1980),

The engagement partner on the audit resulting in this independent auditor's report is Ghulam Mudassar FCA.

Ibrahim Sh. & Co.

IBRAHIM, SHAIKH & CO.
CHARTERED ACCOUNTANTS
KARACHI
DATED : 03 NOV 2023

UDIN : AR2023102034KZzis2bN

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MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
NON-CURRENT ASSETS			
Property plant and equipment	5	68,610,076	35,717,692
Assets in bond	6	19,705,171	19,705,171
Long term deposits	7	431,710	471,710
		88,746,957	55,894,573
CURRENT ASSETS			
Stores, spares and loose tools	8	10,980,825	15,333,388
Stock-in-trade	9	131,343,219	46,167,446
Trade receivable - unsecured	10	126,058,519	103,581,551
Other receivables	11	18,222,124	24,009,793
Cash and bank balances	12	796,571	9,068,543
		287,401,258	198,160,721
CURRENT LIABILITIES			
Trade and other payables	13	94,933,103	110,580,770
Unclaimed dividend		2,208,846	2,208,846
Provision for taxation	14	8,335,974	5,727,754
Short term Borrowings	15	297,662,893	206,190,498
		403,140,817	324,707,868
Net current assets/(liabilities)		(115,739,559)	(126,547,147)
NON-CURRENT LIABILITIES			
Deferred liabilities	16	26,333,806	12,156,961
		26,333,806	12,156,961
CONTINGENCIES AND COMMITMENTS	17		
NET ASSETS		**(53,326,408)**	**(82,809,535)**
SHARE CAPITAL AND RESERVES			
Authorized: 40,000,000 ordinary shares of Rs.10/- each	18	**400,000,000**	**400,000,000**
Issued, subscribed and paid-up capital	18	287,481,330	287,481,330
Subordinated loans	19	115,714,528	115,714,528
Accumulated losses carried forward		(456,522,266)	(486,005,393)
Net shareholders' equity		**(53,326,408)**	**(82,809,535)**

The annexed notes from 1 to 37 form an integral part of these financial statements.

Chief Executive   Director   Chief Financial Officer

MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED

STATEMENT OF PROFIT OR LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
Revenue	20	619,811,475	458,220,357
Cost of sales	21	(526,090,173)	(424,443,188)
Gross (loss)		93,721,302	33,777,169
General and administrative expenses	22	14,913,183	9,145,387
		(14,913,183)	(9,145,387)
Loss generated from operation		78,808,119	24,631,782
Selling and distribution expense	23	(11,402,172)	(9,521,387)
		67,405,947	15,110,395
Finance cost	24	(14,736,619)	(7,492,524)
Other Charges/ Income	25	(3,634,184)	9,824,367
Profit / (loss) before taxation		49,035,144	17,442,238
Taxation	26	(8,335,974)	(5,779,221)
Profit / (loss) after taxation		**40,699,170**	**11,663,017**
Earnings per share - basic and diluted	27	**1.42**	**0.41**

The annexed notes from 1 to 37 form an integral part of these financial statements.

Chief Executive | Director | Chief Financial Officer

MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	2023 Rupees	2022 Rupees
Profit / (loss) for the year	40,699,170	11,663,017
Gain/(loss) on gratuity	(11,216,043)	302,414
Total comprehensive Income/(loss) for the year	**29,483,127**	**11,965,431**

The annexed notes from 1 to 37 form an integral part of these financial statements.

Chief Executive Director Chief Financial Officer

MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before taxation		49,035,144	17,442,238
Adjustment for non-cash charges and other items:			
Depreciation	5.1	7,119,836	4,210,438
Provision for staff gratuity		4,351,309	1,435,339
Finance cost		14,736,619	7,492,524
		26,207,764	13,138,301
		75,242,908	30,580,539
Working capital changes			
Decrease / (Increase) in current assets			
Stores, spares and loose tools		4,352,563	(1,663,112)
Stock-in-trade		(85,175,773)	(8,362,829)
Trade receivable - unsecured		(22,476,968)	(49,131,401)
Other receivables		13,461,785	(1,854,628)
Increase / (decrease) in current liabilities			
Trade and other payables		(19,154,754)	(12,637,527)
		(108,993,147)	(73,649,497)
Income tax paid		(13,401,870)	(7,445,031)
Long term deposits		40,000	(240,000)
Staff gratuity/employees compensated absences paid		(216,530)	-
Finance cost paid		(12,403,510)	(6,548,697)
		(25,981,910)	(14,233,728)
Net cash used in operating activities		(59,732,149)	(57,302,687)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditures		(40,012,219)	(2,598,619)
Net cash used in investing activities		(40,012,219)	(2,598,619)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term Borrowings Habib Metropolitan Bank Trust Receipts Foreign Bills		53,972,395	34,614,042
Short term Borrowings Others		37,500,000	26,300,000
Net cash generated from financing activities		91,472,395	60,914,042
Net increase / (decrease) in cash and cash equivalents		(8,271,973)	1,012,736
Cash and cash equivalents at the beginning of the year		9,068,543	8,055,806
Cash and cash equivalents at the end of the year	31	**796,571**	**9,068,543**

The annexed notes from 1 to 37 form an integral part of these financial statements.

Chief Executive | Director | Chief Financial Officer

MANDVIWALLA MAUSER PLASTIC INDUSTRIES LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023

	Issued, subscribed and paid up share capital	Subordinated loans	Accumulated losses carried forward	Net shareholders' equity
	Rupees	Rupees	Rupees	Rupees
Balance as at July 01, 2021	287,481,330	115,714,528	(497,970,824)	(94,774,966)
			-	-
Total comprehensive Income/(loss) for the year	-	-	11,965,431	11,965,431
Balance as at June 30, 2022	**287,481,330**	**115,714,528**	**(486,005,393)**	**(82,809,535)**
Total comprehensive Income/(loss) for the year	-	-	29,483,127	29,483,127
Increased Paid-up-Capital			-	-
Balance as at June 30, 2023	**287,481,330**	**115,714,528**	**(456,522,266)**	**(53,326,408)**

The annexed notes from 1 to 37 form an integral part of these financial statements.

Azeem

Chief Executive | Director | Chief Financial Officer

1 STATUS AND NATURE OF BUSINESS

The company was incorporated in Pakistan on June 13, 1988, as a public limited company under the Companies Ordinance, 1984 (now Companies Act, 2017) domiciled in the province of Sindh and is listed on Pakistan Stock Exchanges. The company is mainly engaged in manufacturing and sale of plastic and allied products. The registered office of the company is situated at Mandviwalla Building, Old Queens Road, Karachi.

1.1 GOING CONCERN ASSUMPTION

The Company accumulated losses amounting to Rs 456.522 million (2022 Rs 486.005 million) as on June 30, 2023. Thus causing a net capital deficiency of Rs 53.326 million (2022 Rs 82.810 million). The currentl iabilities have exceeded current assets by Rs 115.740 million (2022 Rs 126.547 million).

These conditions indicate the existance of material uncertainity which may cast significant doubt about the company's ability to continue as going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business. These Financial Statements however, have been prepared under the going concern assumptions based on following mitigating factors narrated below.
The company shifted plant to Port Qasim Karachi and started commercial production with effect from July 25, 2020. Up to June 30, 2023 Sponsoring Directors of the company have Injected funds amounting to Rs 115,714,528 along with written commitment to the company stating that they would inject funds as and when required by the company.

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017;

- Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention using accrual basis of accounting, except for certain financial assets and liabilities which are stated at fair value.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is the functional and presentation currency of

2.4 USE OF CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the companies accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas involving a higher degree of judgments or complexity or areas where assumptions and

a) Deferred liability - staff gratuity
b) Provision for taxation
c) Accrued liabilities
d) Impairments of, doubtful trade debts, capital work in progress
e) Useful life of operating fixed assets
f) Valuation of assets held for sale
g) Estimates of impairments and recoverable amounts of assets

3 New and Revised Standards and Interpretations

3.1 Standards, interpretations and amendments to approved accounting standards which became effective during the year

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2022. However, these do not have any significant impact on the Company's financial reporting

3.2 Standards, interpretation and amendments to approved accounting standards that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) relevant to the Company as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after July 1, 2023:

Amendments		Effective date (annual reporting periods beginning on or after)
IAS 1	Presentation of Financial Statements (Amendments)	January 1, 2023 & January 1, 2024
IAS 7	Statement of Cash Flows (Amendments)	January 1, 2023.
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors (Amendments)	January 1, 2023.
IAS 12	Income Taxes (Amendments)	January 1, 2023.
IFRS 4	Insurance Contracts (Amendments)	January 1, 2023.
IFRS 7	Financial Instruments: Disclosures (Amendments)	January 1, 2023.
IFRS 16	Leases (Amendments)	January 1, 2024.

The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than the impact on presentation/ disclosures.

Further, the following standards and interpretations have been issued by the International Accounting Standards Board (IASB), which are yet to be notified or has been waived off by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:

IFRS 1	First-time Adoption of International Financial Reporting Standards	January 1, 2022.
IFRS 17	Insurance Contracts	January 1, 2022.
IFRIC 12	Service concession arrangements	January 1, 2022.

4 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies consistently applied in the preparation of these financial statements are the same as those applied in earlier periods presented.

4.1 PROPERTY PLANT & EQUIPMENT AND DEPRECIATION

Owned

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any except for capital work-in-progress is stated at cost.

Depreciation on fixed assets is charged to the income statement applying the diminishing balance method whereby the cost of an asset is written off over its estimated useful life. Depreciation is charged on a proportionate basis from the month of addition & up to the month of disposal.

Company accounts for impairment, where indication exists, by reducing its carrying value to the assessed recoverable amount. However, no such indication exists till the authorization of these financial statements.

Expenditure incurred subsequent to the initial acquisition of asset is capitalized only when it increases the future economic benefits embodied in the items of above assets. All other expenditure is recognized in the profit and loss account as and when incurred.

Gains and losses on disposal are included in income currently.

Leased

A contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The entity mainly leases properties for its operations. The entity recognizes a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses if any, and adjusted for certain remeasurements of the lease liability. The right-of-use asset is depreciated using the diminishing balance method over the asset's useful life. The estimated useful lives of assets are determined on the same basis as that for owned assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the entity's incremental borrowing rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, a change in assessment of whether extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Company has elected not to recognize right-of-use assets and lease liabilities for some leases of low value assets. The lease payments associated with these leases are recognized as an expenses on a reducing balance basis over the lease term. The right-of-use assets are presented in the same line items as it presents underlying assets of

Asset held under Ijarah financing

Assets held under Ijarah financing are accounted for using the guidelines of Islamic Financial Accounting Standard-2 (IFAS 2), "Ijarah". The assets are not recognized on the Company's statement of financial position and payments made under Ijarah financing are recognized in the statement of profit or loss on a straight line basis over the term of the Ijarah.

4.2 IMPAIRMENT OF ASSETS

The company assesses at each balance sheet date whether there is any indication that a fixed asset may be impaired except for assets in bond. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying amounts exceed the estimated recoverable amount, assets are written down to the recoverable amount.

4.3 STORES, SPARES AND LOOSE TOOLS

Stores, spares and loose tools are stated at cost which is determined under the moving average method except for those in transit and in bond which are valued at actual cost. Provision is made for slow moving and obsolete items. The term cost means invoice price including direct expenses.

4.4 STOCK IN TRADE

Raw materials are valued at lower of cost and estimated net realizable value. Cost is arrived at by using moving average basis except for goods in transit and in bond.

Finished goods are valued at lower of cost determined on average basis and net realizable value. Cost consists of cost of direct materials, labour and appropriate manufacturing overheads.

Net realizable value signifies the estimated selling price in the ordinary course of the business less costs of completion and the estimated costs necessary to make the sale.

Goods in transit and in bond are stated at cost comprising invoice value plus other charges paid thereon.

4.5 TRADE RECEIVABLES

Trade receivables originated by the company are recognized and carried at original invoice amount. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as and when incurred.

4.6 CREDITORS, ACCRUED EXPENSES AND OTHER LIABILITIES

Creditors, accrued expenses and other liabilities are stated at cost which is the fair value of the consideration to be paid in future in respect of goods and services.

4.7 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHERS RECEIVABLE

These are stated at cost.

4.8 PROVISIONS

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

4.9 FOREIGN CURRENCY TRANSLATIONS

Foreign currency transactions are converted into rupees at the rates of exchange approximating to those ruling at the date of transaction. Monetary assets and liabilities in foreign currencies have been translated into rupees at the rates of exchange approximating those ruling at the balance sheet date except for liabilities covered under forward exchange contracts which are translated at the contracted rates. Exchange gains or losses are included in income currently.

4.10 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financialliability or equity instrument of another entity

4.10.1 Financial Assets

All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognized and derecognized, as applicable, using trade-date accounting or settlement date accounting.

Classification

The Company classifies its financial assets in the following categories: at amortized cost, at fair valuethrough other comprehensive income and at fair value through profit or loss. The classification isbased on the Company's business model for managing the financial assets and the contractual cashflow characteristics of the financial asset. The management determines the classification of itsfinancial assets at the time of initial recognition.

a) **Financial assets at amortized cost**

A financial asset is measured at amortized cost if the financial asset is held within a business modelwhose objective is to hold financial assets in order to collect contractual cash flows and the contractualterms of the financial asset give rise on specified dates to cash flows that are solely payments ofprincipal and interest on the principal amount outstanding.

b) **Financial assets at fair value through other comprehensive income**

A financial asset is measured at fair value through other comprehensive income if the financial assetis held within a business model whose objective is achieved by both collecting contractual cash flowsand selling financial assets and the contractual terms of the financial asset give rise on specifieddates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) **Financial assets at fair value through profit or loss**

A financial asset is measured at fair value through profit or loss unless it is measured at amortizedcost or at fair value through other comprehensive income. However, the Company can make anirrevocable election at initial recognition for particular investments in equity instruments that wouldotherwise be measured at fair value through profit or loss to present subsequent changes in fairvalue in other comprehensive income unless these are held for trading in which case these have tobe measured at fair value through profit or loss. The equity investments of the Company held inshort term investments are classified at fair value through profit or loss because they are frequently traded.

Reclassification

When the Company changes its business model for managing financial assets, it reclassifies all affected financial assets accordingly. The Company applies the reclassification prospectively from thereclassification date.

In case of reclassification out of the amortized cost measurement category to fair value throughprofit or loss measurement category, fair value of the financial asset is measured at the reclassification date. Any gain or loss arising from a difference between the previous amortized cost and fair valueis recognized in profit or loss.

In case of reclassification out of fair value through profit or loss measurement category to theamortized cost measurement category, fair value of the financial asset at the reclassification datebecomes its new gross carrying amount.

In case of reclassification out of the amortized cost measurement category to fair value throughother comprehensive income measurement category, fair value of the financial asset is measuredat the reclassification date. Any gain or loss arising from a difference between the previous amortizedcost and fair value is recognized in other comprehensive income. The effective interest rate and themeasurement of expected credit losses are not adjusted as a result of the reclassification.

In case of reclassification out of fair value through other comprehensive income measurementcategory to the amortized cost measurement category, the financial asset is reclassified at its fairvalue at the reclassification date. However, the cumulative gain or loss previously recognized in othercomprehensive income is removed from equity and adjusted against the fair value of the financialasset at the reclassification date. The effective interest rate and the measurement of expected creditlosses are not adjusted as a result of the reclassification.

In case of reclassification out of fair value through profit or loss measurement category to the fairvalue through other comprehensive income measurement category, the financial asset continuesto be measured at fair value.

In case of reclassification out of fair value through other comprehensive income measurementcategory to the fair value through profit or loss measurement category, the financial asset continuesto be measured at fair value. The cumulative gain or loss previously recognized in other comprehensiveincome is reclassified from equity to profit or loss as a reclassification adjustment at the reclassification date.

Initial recognition and measurement

All financial assets are recognized at the time when the Company becomes a party to the contractualprovisions of the instrument. Regular purchases and sales of investments are recognized on tradedate– the date on which the Company commits to purchase or sell the asset.

Except for trade receivables, financial assets are initially recognized at fair value plus transactioncosts for all financial assets not carried at fair value through profit or loss. Financial assets carriedat fair value through profit or loss are initially recognized at fair value and transaction costs areexpensed in the profit and loss account. Dividend income from financial assets at fair value throughprofit or loss is recognized in the profit and loss account when the Company's right to receivepayments is established. Trade receivables are initially measured at the transaction price if these donot contain a significant financing component in accordance with IFRS 15. Where the Company usessettlement date accounting for an asset that is subsequently measured at amortized cost, the assetis recognized initially at its fair value on the trade debt.

Subsequent measurement

For the purpose of measuring financial assets after initial recognition, these are classified into thefollowing four categories:

- financial assets at amortized cost;
- financial assets at fair value through other comprehensive income; and
- financial assets at fair

Financial assets carried at amortized cost are subsequently measured using the effective interestmethod. Gain or loss on financial assets not part of hedging relationship is recognized in profit orloss when the financial asset is derecognized, reclassified, through the amortization process or inorder to recognize impairment gains or losses.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and therenegotiation or modification does not result in the derecognition of that financial asset, the Companyrecalculates the gross carrying amount of the financial asset and recognizes a modification gain or loss in profit or loss.

Financial assets 'at fair value through other comprehensive income' are marked to market using theclosing market rates and are carried in the statement of financial position at fair value. Net gains andlosses arising on changes in fair values of these financial assets are recognized in other comprehensiveincome. Interest calculated using the effective interest rate method is credited to the statement ofprofit or loss. Dividends on equity instruments are credited to the statement of profit or loss whenthe Company's right to receivepayments is established.

Financial assets 'at fair value through profit or loss' are marked to market using the closing marketrates and are carried in the balance sheet at fair value. Net gains and losses arising on changes infair values of these financial assets are taken to the profit and loss account in the period in whichthese arise.

Fair values of quoted investments are based on current prices. If the market for a financial asset is not active (and for unlisted securities), the Company measures the investments at cost less impairmentin value, if any.

Derecognition

Financial assets are derecognized when:

- the contractual rights to receive cash flows from the assets have expired; or

- the Company has transferred its rights to receive cash flows from the asset or has assumed an nobligation topay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

a) the Company has transferred substantially all the risks and rewards of the asset; or

b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset,but has transferred control of the asset.

The difference between the carrying amount and the consideration received is recognized in profit or Loss.

If the Company transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognizes either a servicing asset ora servicing liability for that servicing contract.

When the Company has transferred its rights to receive cash flows from an asset or has entered intoa pass through arrangement, it evaluates if, and to what extent, it has retained the risks and rewardsof ownership. When it has neither transferred nor retained substantially all of the risks and rewardsof the asset, nor transferred control of the asset, the Company continues to recognize the transferredasset to the extent of its continuing involvement. In that case, the Company also recognizes anassociated liability which cannot be offset with the related asset. The transferred asset and theassociated liability are measured on a basis that reflects the rights and obligations that the Companyhas retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measuredat the lower of the original carrying amount of the asset and the maximum amount of considerationthat the Company could be required to repay.

If the Company's continuing involvement is in only a part of a financial asset, the Company allocatesthe previous carrying amount of the financial asset between the part it continues to recognize undercontinuing involvement, and the part it no longer recognizes on the basis of the relative fair valuesof those parts on the date of the transfer. The difference between the carrying amount allocated tothe part that is no longer recognized and the consideration received for the part no longer recognizedis recognized in profit or loss.

Impairment of financial assets

The Company directly reduces the gross carrying amount of a financial asset when the Company hasno reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

The Company recognizes a loss allowance for expected credit losses on a financial asset measuredat amortized cost and through other comprehensive income, a lease receivable, a contract asset ora loan commitment and a financial guarantee contract. In case of financial assets measured at fair value thorugh other comprehensive income, loss allowance is recognized in other comprehensiveincome and carrying amount of the financial asset in the statement of financial position is not reduced.

The Company measures, at each reporting date, the loss allowance for a financial instrument at anamount equal to the lifetime expected credit losses if the credit risk on that financial instrument hasincreased significantly since initial recognition. Where the credit risk on a financial instrument hasnot increased significantly since the initial recognition, the Company measures the loss allowancefor that financial instrument at an amount equal to 12-

The Company always measures the loss allowance at an amount equal to lifetime expected creditlosses for trade receivables or contract assets that result from transactions under IFRS 15 and lease receivables.

The Company recognizes the amount of expected credit losses (or reversal), that is required to adjustthe loss allowance at the reporting date to the amount that is required to be recognized, in the profit or loss.

4.10.2 **Financial liabilities**

Initial recognition and measurement

All financial liabilities are recognized at the time when the Company becomes a party to thecontractual provisions of the instrument.

Financial liabilities are classified, at initial recognition, as financial liabilities at amortized cost exceptfor financial liabilities at fair value through profit or loss, financial liabilities that arise when a transferof a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts, commitments to provide a loan at a below-market interestrate and contingent consideration recognized in a business combination.

The Company does not reclassify any of its financial liabilities.

Financial liabilities are initially recognized at fair value minus transaction costs for all financial liabilitiesnot carried at fair value through profit or loss. Financial liabilities carried at fair value through profitor loss are initially recognized at fair value and transaction costs are credited in the statement of profit or loss account.

The Company's financial liabilities include trade and other payables, loans and borrowings includingCompany overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Such liabilities, including derivatives that are liabilities, are subsequently measured at fair value.
Financial liabilities at fair value through profit or loss include financial liabilities held for trading andfinancial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasingin the near term. This category also includes derivative financial instruments entered into by theCompany that are not designated as hedging instruments in hedge relationships. Separated embeddedderivatives are also classified as held for trading unless they are designated as effective hedging instruments.

The amount of change in the fair value that is attributable to changes in the credit risk of financialliability is presented in other comprehensive income and the remaining amount of change in the fairvalue of the liability is presented in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designatedat the initial date of recognition, and only if it eliminates or significantly reduces a measurement orrecognition inconsistency or a group of financial liabilities is managed and its performance is evaluatedon a fair value basis, in accordance with a documented risk management or investment strategy, andinformation about the group is provided internally on that basis to the Company's key managementpersonnel. The Company has not designated any financial liability as at fair value through profit or loss.

Financial guarantee contracts and commitments to provide a loan at a below-market interest rate

Financial guarantee contracts issued by the Company are those contracts that require a payment tobe made to reimburse the holder for a loss it incurs because the specified debtor fails to make apayment when due in accordance with the terms of a debt instrument. Financial guarantee contractsand commitments to provide a loan at a below-market interest rate are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance ofthe guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognizedless cumulative amortization.

Contingent consideration recognized in a business combination

These are subsequently measured at fair value with changes recognized in profit or loss.

All other liabilities

All other financial liabilities are measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in the profit and loss account. The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

If the Company repurchases a part of a financial liability, the Company allocates the previous carrying amount of the financial liability between the part that continues to be recognized and the part that is derecognized based on the relative fair values of those parts on the date of the repurchase. The difference between the carrying amount allocated to the part derecognized and the consider at on paid, including any non-cash assets transferred or

4.10.3 Offsetting of financial

Financial assets and liabilities are offset and net amount is reported in the financial statements only when there is a legally enforceable right to set off the recognized amount and the Company intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

4.11 Balances from

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. The Company recognizes a contract asset for the earned consideration that is conditional if the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional. Trade receivables are carried at original invoice amount less expected credit loss based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. A contract liability is recognized at earlier of when the payment is made or the payment is due if a customer pays consideration before the Company transfers goods or services to the customer.

Right of return assets

Right of return asset represents the Company's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

Refund

A refund liability is the obligation to refund some or all of the consideration received (or receivable)from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

4.12 REVENUE RECOGNITION

Revenue is to be recognized in accordance with the afore mentioned principle by applying the following steps:

i) Identify the contract with a customer
ii) Identify the performance obligation in the contract
iii) Determine the transaction price of the contract
iv) Allocate the transaction price to each of the separate performance obligations in the contract
v) Recognize the revenue when (or as) the entity satisfies a performance obligation.

Revenue is recognized either at a point in time or over time, when (or as) the Company satisfies performance obligations by supplying the electricity or services to its customers. Any bundled goods or services that are distinct are separately recognized, and any discounts or rebates on the contract price are generally allocated to the separate elements.

Markup/interest income is recognized on time proportion basis that takes into account effective interest.

4.13 BORROWING COSTS

Mark-up, interest and other charges on long term borrowings are capitalized unto the date of commissioning of the related fixed asset, acquired out of the proceeds of such long term borrowings. All other mark-up, interest and other charges are charged to income statement.

4.14 TAXATION

Current

Provision for current tax is based on the taxable income for the year determined in accordance with the Income Tax Ordinance, 2001.

Deferred

Deferred tax is calculated using the liability method on all temporary differences at the balance sheet date, between the tax base of the assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, un-absorbed tax losses to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future and significant taxable income will be available against which the deductible temporary differences or un-absorbed tax losses can be utilized.

The carrying amount of all deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or subsequently enacted at the balance sheet date.

4.15 STAFF RETIREMENT BENEFITS

Defined benefit plan - gratuity

The company operates an unfunded gratuity scheme for its all permanent employees who have completed a minimum qualifying period of service. Provision is made on the basis of Projected Unit Credit Method. The valuation is carried out using the Project Unit Credit Method. The gains and losses are recognized at each valuation date.

Employees' compensated absences

The company provides for liability in respect of employees' compensated absences in the year in which these are earned.

The company accounts for these benefits on an accrual basis.

4.16 CASH AND CASH EQUIVALENTS

Cash in hand and at banks, if any, are carried at cost.

For the purposes of the cash flow statement, cash and cash equivalents consists of cash in hand, bank balances net off book overdraft.

4.17 RELATED PARTY TRANSACTIONS

All transactions with related parties are carried out by the company at arm's length prices using "Comparable Uncontrolled Price Method".

4.18 SHARE CAPITAL

Ordinary shares are classified as equity and recognised at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any

5 PROPERTY PLANT & EQUIPMENT

	Leasehold land	Buildings on leasehold land	Buildings on Rental Premises	Plant and machinery imported	Plant and machinery local	Engineering stores moulds	Furniture, Hydrant and Air conditioners	Equipment	Generators, Workshops, Tools and Handling Equipment	Tube well	Compressor	Canteen Utensils	Motor Vehicles		Total
	Owned	Owned		Owned	Owned	Owned	Owned	Owned	Owned	Owned	Owned	Owned	Owned	Leased	
	Rupees	Rupees		Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
At July 1, 2022															
Cost	739,202	32,801,122	4,888,161	246,722,508	11,498,380	59,574,091	9,903,280	6,552,450	5,713,681	431,165	4,359,393	275,345	3,699,316	-	387,158,094
Accumulated depreciation	-	31,481,075	488,816	232,796,556	10,771,053	51,551,964	8,311,732	5,687,988	4,870,913	430,292	2,158,800	198,695	2,692,515	-	351,440,402
Net book value	739,202	1,320,047	4,399,345	13,925,952	727,327	8,022,127	1,591,548	864,462	842,768	873	2,200,593	76,650	1,006,801	-	35,717,692
Year ended June 30, 2023															
Opening net book value	739,202	1,320,047	4,399,345	13,925,952	727,327	8,022,127	1,591,548	864,462	842,768	873	2,200,593	76,650	1,006,801	-	35,717,692
Additions/Transfer from CWIP	-	-	90,860	38,000,000	-	1,412,075	19,140	131,009	359,135	-	-	-	-	-	40,012,219
Disposals-net book value	-	-						-	-	-	-	-	-	-	-
Asset distroyed in transit-net book val	-	-						-	-	-	-	-	-	-	-
Depreciation	-	(132,005)	(447,506)	(4,559,262)	(72,733)	(885,443)	(159,793)	(91,905)	(114,205)	(175)	(440,119)	(15,330)	(201,360)		(7,119,836)
Impairment	-	-		-	-	-	-	-	-	-	-	-	-	-	-
Closing net book value	739,202	1,188,042	4,042,699	47,366,690	654,594	8,548,759	1,450,895	903,566	1,087,698	698	1,760,474	61,320	805,441	-	68,610,076
As at June 30, 2023															
Cost	739,202	32,801,122	4,979,021	284,722,508	11,498,380	60,986,166	9,922,420	6,683,459	6,072,816	431,165	4,359,393	275,345	3,699,316	-	427,170,313
Accumulated depreciation	-	31,613,080	936,322	237,355,818	10,843,786	52,437,407	8,471,525	5,779,893	4,985,118	430,467	2,598,919	214,025	2,893,875	-	358,560,237
Net book value	739,202	1,188,042	4,042,699	47,366,690	654,594	8,548,759	1,450,895	903,566	1,087,698	698	1,760,474	61,320	805,441	-	68,610,076
As at July 01, 2021															
Cost	739,202	32,801,122	4,888,161	246,722,508	11,485,380	57,792,581	9,758,465	6,482,225	5,701,531	431,165	3,992,900	192,919	3,571,316	-	384,559,475
Accumulated depreciation	-	31,334,403	-	231,249,228	10,691,683	50,726,428	8,140,449	5,598,777	4,777,610	430,073	1,642,661	189,835	2,448,815	-	347,229,962
Net book value	739,202	1,466,719	4,888,161	15,473,280	793,697	7,066,153	1,618,016	883,448	923,921	1,092	2,350,239	3,084	1,122,501	-	37,329,511
Year ended June 30, 2022															
Opening net book value	739,202	1,466,719	4,888,161	15,473,280	793,697	7,066,153	1,618,016	883,448	923,921	1,092	2,350,239	3,084	1,122,501	-	37,329,511
Additions	-	-	-	-	13,000	1,781,510	144,815	70,225	12,150	-	366,493	82,426	128,000	-	2,598,619
Disposals at net book value	-	-						-	-	-	-	-	-	-	-
Asset distroyed in transit-net book val	-	-						-	-	-	-	-	-	-	-
Depreciation	-	(146,672)	(488,816)	(1,547,328)	(79,370)	(825,536)	(171,284)	(89,212)	(93,303)	(218)	(516,139)	(8,860)	(243,700)		(4,210,438)
Impairment	-	-		-	-	-	-	-	-	-	-	-	-	-	-
Closing net book value	739,202	1,320,047		13,925,952	727,327	8,022,127	1,591,547	864,461	842,768	874	2,200,593	76,650	1,006,801	-	35,717,692
Rate	-	10%	10%	10%	10%	10%	10%	10%	10%	20%	20%	20%	20%	20%	

		Note	2023 Rupees	2022 Rupees
5.1	The depreciation for the year has been allocated as follows:			
	Cost of goods manufactured		6,651,273	3,697,164
	Administrative expenses		468,563	513,274
			7,119,836	**4,210,438**

5.2 Leasehold Land represents 5 acre of land situated at C-5 Uthal Industrial Estate Uthal District Lasbella Baluchistan on which factory and non factory building are construced. Currently production facility is closed due to declining security situation in Lasbella. Plant and machinery was shifted to new rented premisses located in Industrial zone Port Qasim Authority, karachi

		Note	2023 Rupees	2022 Rupees
6	**ASSETS IN BOND**			
	Engineering stores	6.1	**19,705,171**	**19,705,171**

6.1 These are molds which, have been pledged with a lender. These molds were imported in 1990 and were damaged by the Custom Authorities in respect of which the company has filed suits. Since the Engineering Stores are held in bond, the extent of damage occurred could not be ascertained with reasonable certainty.

		Note	2023 Rupees	2022 Rupees
7	**LONG TERM DEPOSITS**		**431,710**	**471,710**
8	**STORES, SPARES AND LOOSE TOOLS**			
	Stores and spares		17,086,059	21,438,622
	Loose tools		1,600,849	1,600,849
			18,686,908	23,039,471
	Less: Provision for slow moving items	8.1	(7,706,083)	(7,706,083)
			10,980,825	**15,333,388**
8.1	**Provision for slow moving stores, spares and loose tools**			
	Opening balance		7,706,083	7,706,083
	Charge for the year		-	-
			7,706,083	**7,706,083**
9	**STOCK-IN-TRADE**			
	Raw materials		82,664,006	34,037,114
	Raw materials in bond		1,084,670	1,084,670
	Finished goods		48,017,210	11,468,329
			131,765,886	46,590,113
	Less: Provision for slow moving finished goods		(422,667)	(422,667)
			131,343,219	**46,167,446**
10	**TRADE RECEIVABLES - UNSECURED**			
	Considered doubtful		108,682	108,682
	Considered good		126,058,519	103,581,551
			126,167,201	103,690,233
	Less: Allowance for ECL	10.1	(108,682)	(108,682)
			126,058,519	**103,581,551**
10.1	**Allowance for ECL**			
	Balance at beginning of the year		108,682	108,682
	Charge during the year - net		-	-
	Allowance no longer required		-	-
	Write - off		-	-
	Balance at the end of the year		108,682	108,682

		Note	2023 Rupees	2022 Rupees
11	**OTHERS RECEIVABLES**			
	Advance to Employees		877,692	1,416,772
	Advance to Suppliers		538,379	577,415
	Letter of credit		-	12,862,709
	Advance WeBoc		-	20,960
	Advance income tax		16,806,053	9,131,937
			18,222,124	**24,009,793**
12	**CASH AND BANK BALANCES**			
	Cash in hand		-	-
	Cash at banks - in current accounts			
	Local currency		796,571	9,068,543
			796,571	9,068,543
			796,571	**9,068,543**
13	**TRADE AND OTHER PAYABLES**			
	Creditors		55,900,444	86,152,382
	Accrued liabilities			
	Salaries and wages		3,119,454	2,380,572
	Mark-up on short term finances		3,779,440	1,446,331
	Accrued expenses		-	781,509
	Staff Gratuity payable		5,070,527	4,441,050
			11,969,421	9,049,462
	Other liabilities			
	Sales tax Payable		(5,844,967)	142,690
	Contract Liabilities		845,119	2,215,117
	Tax deducted at source		6,757,021	5,525,020
	Rent payable		21,046,320	6,300,000
	Workers welfare fund		1,243,942	243,225
	Workers profit participation fund		2,633,466	380,894
	Others		382,337	571,982
			27,063,239	15,378,927
			94,933,103	**110,580,770**
13.1	**Workers' profits participation fund**			
	Opening balance		380,894	-
	Contributions for the year		2,633,466	380,894
	Intrest on Funds used in the Company`s business		26,980	-
			3,041,340	380,894
	Less: Payments during the year		(407,874)	-
			2,633,466	380,894
14	**INCOME TAX PAYABLE**			
	Closing Balance		5,727,754	1,846,594
	Provided during the year			
	- Current	26	8,335,974	5,727,754
	- Prior		-	-
			8,335,974	5,727,754
			14,063,728	7,574,348
	Payments/adjustments during the year		(5,727,754)	(1,846,594)
			8,335,974	**5,727,754**

	Note	2023 Rupees	2022 Rupees
15 SHORT TERM BORROWING			
Habib Metropolitan Bank Trust Receipts Foreign Bills	15.1	140,900,109	86,927,714
Banking Company Secured			
Others	15.2	156,762,784	119,262,784
Un-Secured			
		297,662,893	206,190,498

15.1 This represents the Trust Recipts finance facility of Rs.150 million to facilate retirement of import bills under Letter of credit sight opened through Habib Metropolitan Bank (2022: Rs.100) bearing mark-up of 3 month Kibor plus 1% (2022: 3 month Kibor plus 1%) per annum. This loan to be paid within maximum 180 days from the date of initiation. The loan is secured against First Pari Passu charge over plant & machinery, personal guarantees of Shahid Tawawalla Director of M/s Messkay & Femtee Trading Co Pvt Ltd. & Coprprate Gurantee of M/s Messkay & Femtee Trading Co Pvt Ltd. The facility expires on 30-09-2023.

15.2 The Company has obtain loans from Meskay & Femtee Trading Company (Private) Limited. As per the term of agreement, the loans are repayable on demand.

16 DEFERRED LIABILITY

16.1 Deferred Taxation

In view of the consistent tax losses and expected future turnover, it is probable that the company will not have sufficient future taxable income and hence will not able to utilize the deductible temporary difference. Therefore, deferred tax asset of Rs. 27.385 million (2022: Rs. 44.570 million) has not been recognized in these financial statements."

	Note	2023 Rupees	2022 Rupees
16.2 Staff retirement benefits			
Staff Gratuity			
As at the beginning of the year		10,904,535	9,771,610
Charge to profit and loss account		4,351,309	1,435,339
Paid during the year to existing employees employee		(200,000)	
Benefits due but now transfer to short term liability		(1,173,977)	-
(Gain)/ loss during the year		11,216,043	(302,414)
As at end of the year		25,097,910	10,904,535
Employees' compensated absences	16.3	1,252,426	1,252,426
Paid During Year		(16,530)	-
		1,235,896	1,252,426
		26,333,806	**12,156,961**

	2023	2022
16.2.1 Charge to profit or Loss		
Current service cost	842,754	393,727
Interest on past service Cost	3,508,556	1,041,612
	4,351,310	**1,435,339**
(Gain) or Loss recognized during the year		
	4,351,310	1,435,339

16.2.2 The charge to profit or loss has been allocated as follows

	2023	2022
Cost of sales	3,272,686	1,109,044
Administrative expenses	1,078,623	326,295
	4,351,309	**1,435,339**

	Note	2023 Rupees	2022 Rupees

Present value of define benefit obligation has been determined using projected unit credit method. The liability as at June 30,2022 and June 30, 2023 has been determined by the management of the company based on projected unit credit method. The principal assumptions used in determining present value of define benefit obligation are.

	2023	2022
	%	%
Discount rate	11	11
Expected rate of increase salary	2	2

Historical information	2023	2022
Present value of defined benefits obligation	25,097,910	10,904,535
Adjustment arising during the year	11,216,043	(302,414)
Valuation date	June 30,2023	June 30,2022

The Experience adjustment components actuarial adjustment is impracticable to determine and thus has not been disclosed

16.2.3 **Sensitivity of Assumptions.**

Sensitivity analysis was carried out on significant assumptions, such as discount rate and salary increase rate. Impact of changing these assumption are as under :-

		2023	2022
1	Salary Increase +100 bps	13,793	1,521,486
2	Salary decrease -100 bps	14,538	1,347,749
3	Discounr rate + 100 bps	1,373	1,521,486
4	Discounr rate -100 bps	13,793	1,347,749

16.3 **Employees' compensated absences**

	2023	2022
Net liability / (assets) at the beginning of the year	1,252,426	1,252,426
Charge for the year	-	-
	1,252,426	1,252,426
Benefits paid during the year	(16,530)	-
Net liability / (assets) at the end of the year	**1,235,896**	**1,252,426**

17 CONTINGENCIES AND COMMITMENTS

17.1 **Contingencies**

17.1.1 **Wash Basin Mold**

The company has filed two suits 32/92 for Rs. 84,509,000 against the Customs Authority for damaging the wash basin mould during illegal detention. These suits were dismissed and the company has filed an appeal against these judgments in the Honorable High Court of Sindh which is still pending. A suit No 768/93 is also pending in the Honorable High Court of Sindh against the EFU General Insurance Company for refusing payments of claim for damage to the wash basin mould. The amount of claim and mark-up thereon (as claimed) comes to Rs. 48.770 million.

17.1.2 **Additional Tax Liability**

Included in creditors, accrued and other liabilities, the company has not provided for additional tax on third party tax liability amounting to Rs. 5.023 million as at June 30, 2023, to be levied under section 205 of Income Tax Ordinance, 2001 as disclosed in note 13 to the audited financial statements for the year ended June 30, 2023. The company believes that the said amount will be paid.

	2023	2022
17.2 **Commitments**	Nil	Nil

17.2.1 Guarantee issued to Honorable High Court of Sindh amounting to Rs.500,000 (2022: Rs.500,000).

17,2,2 Letter of credit from raw material Rs.8.85 million (2022 12.26) million

		Note	2023 Rupees	2022 Rupees
18	**SHARE CAPITAL**			
	Authorized Share capital	18.1	**400,000,000**	**400,000,000**

Issued, Subscribed and Paid Up capital

Number of shares 2023	Number of shares 2022		2023 Rupees	2022 Rupees
28,748,133	28,748,133	Ordinary shares of Rs. 10/- each fully paid in cash	**287,481,330**	**287,481,330**

Reconciliation of share capital

2023	2022		2023 Rupees	2022 Rupees
28,748,133	7,355,400	Opening balance	287,481,330	287,481,330
-	21,392,733	Issued During the year Ordinary shares of Rs. 10/- each fully paid in lieu of outstanding Subordinated loan of Director	-	-
28,748,133	**28,748,133**	Closing balance	**287,481,330**	**287,481,330**

18.1 This represents 40,000,000 (2021: 40,000,000) ordinary shares of Rs. 10/- each amounting to Rs. 400,000,000(2021 :400,000,000)

18.2 Shares held by the related parties of the company

	2023 Number of Shares	2023 Percentage Holding	2022 Number of Shares	2022 Percentage Holding
1 Azeem H Mandviwalla	22,689,288	78.926%	22,689,288	78.926%
2 Tariq Mahmood	500	0.002%	500	0.002%
3 Syed Asghar Ali	800	0.003%	800	0.003%
4 Shamim Ahmed Khan	500	0.002%	500	0.002%
5 Abdul Qadir Shawani	500	0.002%	500	0.002%
6 Farah Qureshi	500	0.002%	500	0.002%
7 Naseer Ahmed	500	0.002%	500	0.002%

18.3 The company does not have any agreements with shareholders for voting rights, board selection, rights of first refusal and block voting

		Note	2023 Rupees	2022 Rupees
19	**SUBORDINATED LOAN - Unsecured**			
	Due to director		115,714,528	115,714,528
	Share Issue Again Loan		-	-
			115,714,528	**115,714,528**

19.1 The Company has obtain loans from Director. As per the term of agreement, the loans are interest free (2022 interest free) and repayment of loans is at the discretion of the management of the Company.

		Note	2023 Rupees	2022 Rupees
20	**REVENUE**			
	Local sales	20.1	619,811,475	458,220,357
	Export sales		-	-
			619,811,475	**458,220,357**
20.1	**Local sales**			
	Gross sales		708,881,278	530,869,164
	Sales tax		(89,069,803)	(72,648,808)
			619,811,475	**458,220,357**

		Note	2023 Rupees	2022 Rupees
21	**COST OF SALES**			
	Opening stock of finished goods		11,468,329	25,625,245
	Cost of goods manufactured	21.1	562,639,054	410,286,271
			574,107,383	435,911,516
	Closing stock of finished goods		(48,017,210)	(11,468,329)
			526,090,173	**424,443,188**
21.1	**Cost of goods manufactured**			
	Raw materials consumed	21.1.1	429,620,586	322,477,323
	Store and spares consumed		13,157,885	5,984,101
	Salaries, wages and other benefits		18,997,131	15,274,302
	Gratuity expense		3,272,686	1,109,044
	Indirect labor (external processing)		6,735,128	5,339,041
	Utilities		60,530,377	42,585,311
	Rent For Generator		690,000	892,700
	Repairs and maintenance		2,482,748	3,384,250
	Rent rates & taxes		14,500	20,590
	Postage telephone and telegram		81,130	70,240
	Fees and subscription		6,000	27,750
	Traveling, conveyance and vehicle running expenses		4,600,976	2,953,256
	Insurance		963,494	833,156
	Printing and stationery		4,890	-
	Rent expense		14,746,320	5,400,000
	Other Expenses		83,930	238,043
	Depreciation	5.1	6,651,273	3,697,164
	Cost of goods manufactured		**562,639,054**	**410,286,271**

			2023 Rupees	2022 Rupees
21.1.1	**Raw materials consumed**			
	Opening stock		34,037,114	11,517,369
	Purchases		478,256,296	
	Purchase return		(8,818)	344,997,069
			512,284,592	356,514,438
	Closing stock		(82,664,006)	(34,037,114)
			429,620,586	**322,477,323**

		Note	2023 Rupees	2022 Rupees
22	**GENERAL AND ADMINISTRATIVE EXPENSES**			
	Salaries, allowances and other benefits		6,433,155	4,047,712
	Directors' remuneration and executive		-	-
	Traveling, conveyance and vehicle running expenses		840,825	471,187
	Gratuity expense		1,078,623	326,295
	Insurance		54,501	81,530
	Utility charges		1,178,981	825,833
	Postage, telephone and telegram		732,910	488,797
	Repair and maintenance		304,639	148,400
	Depreciation on operating assets	5.1	468,563	513,274
	Fee and subscription		926,924	489,217
	Legal and professional Charges		1,764,777	592,500
	Printing and stationery		486,087	280,157
	Office expenses		182,690	163,549
	Books and periodicals		21,330	17,567
	Auditors' remuneration	22.1	426,728	314,840
	Freight and octroi		10,500	-
	Sales tax Demand		-	375,179
	Entertainment		1,950	9,350
			14,913,183	**9,145,387**

		Note	2023 Rupees	2022 Rupees
22.1	**Auditors' remuneration**			
	Statutory annual audit fee		298,080	216,000
	Half yearly review		78,840	57,240
	Review report on code of corporate governance		29,808	21,600
	Out-of-pocket expenses		20,000	20,000
			426,728	**314,840**
23	**SELLING AND DISTRIBUTION EXPENSE**			
	Freight & outward		11,130,422	9,457,987
	Advertising and publicity		248,150	50,400
	Loading and unloading		23,600	-
	Travelling, conveyance and vehicle running expense		-	13,000
			11,402,172	**9,521,387**
24	**FINANCE COST**			
	Bank charges		133,876	119,037
	Interest on WPPF		26,980	
	Markup on short Term Finance HMB		14,575,763	7,373,488
			14,736,619	**7,492,524**
25	**OTHER CHARGES/ INCOME**			
	Workers profit participation fund		(2,633,466)	(380,894)
	Workers Welfare Fund		(1,000,717)	(144,740)
	Waiver of rent Expense	25.1	-	10,350,000
				-
			(3,634,184)	**9,824,367**

25.1 M/S M.M. Flour Mill (Pvt) Limited compromise the rent due for the period January 2020 to November, 2021 amounting to Rs 10.350 million vide settlement agreement dated November 01, 2021

		Note	2023 Rupees	2022 Rupees
26	**TAXATION**			
	Current	26.1	8,335,974	5,727,754
	Prior	26.2	-	51,467
		26.1.1	**8,335,974**	**5,779,221**
26.1	**Current**			
	Under normal assessment		8,335,974	5,727,754
	Income tax on exports		-	-
			8,335,974	**5,727,754**
26.2	**Prior**			
	Under normal assessment		**-**	**51,467**
26.1.1	**Relationship between tax expense and accounting profit**			
	Profit / (loss) before taxation		**49,035,144**	**17,442,238**
	Tax at the applicable rate		29%	29%
	Tax on accounting Profit		14,220,192	5,058,249
	Tax effect of income taxed at lower rate			
	- Effect of prior year taxation		-	51,467
	- Effect of tax losses		(14,220,192)	(5,058,249)
	- Difference of corporate Tax on accounting profit		8,335,974	
	- Difference of minimum Tax on accounting profit		-	5,727,754
			(5,884,218)	720,972
			8,335,974	**5,779,221**
	Brought forward tax losses		**108,827,691**	**167,913,013**

The income tax assessments have been finalized up to the tax year 2022

	Note	2023 Rupees	2022 Rupees

27 EARNINGS PER SHARE

No figures for diluted earnings per share has been presented as the company has not yet issued any instrument which would have an impact on earnings per share when exercised.

		2023 Rupees	2022 Rupees
Profit/(loss) after taxation		40,699,170	11,663,017
Weighted average number of ordinary shares		28,748,133	28,748,133
Earnings per share - basic and diluted		**1.42**	**0.41**

28 TRANSACTIONS WITH ASSOCIATED/RELATED PARTIES

	Relationship	2023 Rupees	2022 Rupees
Sub ordinated borrowings from director Azeem H Mandviwalla	Director	115,714,528	115,714,528
Sub ordinated borrowings from director Azeem H Mandviwalla movement		-	-
Borrowings from Others	Prospective Investor	156,762,784	119,262,784
Borrowings from Others movement	Prospective Investor	37,500,000	26,300,000
Salary Payable Directors Azeem H Mandviwalla	Director	1,082,520	1,082,520
Salary Payable Directors Azeem H Mandviwalla movement	Director	-	- 1,181,673
Staff gratuity payable	Employees retirement benefits	25,097,910	10,904,535
Benefits due but now transfer to short term liability	Employees retirement benefits	5,070,527	4,441,050
Staff gratuity charged	Employees retirement benefits	4,351,310	1,435,339
Staff retirement benefits paid	Employees retirement benefits	761,030	(306,037)

There were no transactions with related parties other than those already disclosed elsewhere in these financial statements.

28.1 All transactions with related parties are carried out by the company at arm's length prices using "Comparable Uncontrolled Price Method".

28.2 The Loan of Habib Metropolitan Bank is secured by personal guarantees of Shahid Tawawalla Director of M/s Messkay & Femtee Trading Co Pvt Ltd. & Coprprate Gurantee of M/s Messkay & Femtee Trading Co Pvt Ltd

29 REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES

	CHIEF EXECUTIVE		DIRECTORS		EXECUTIVES	
	2023	2022	2023	2022	2023	2022
Managerial remuneration	-	-	-	-	5,242,000	3,420,000
Housing allowance	-	-	-	-	-	-
Medical expense/	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Motor vehicle expense	-	-	-	-	-	-
	-	-	-	-	5,242,000	3,420,000
Number of persons	1	1	-	-	2	2

29.1 The chief executive and certain executives are also provided with free use of company maintained motor vehicles.

29.2 Aggregate amount charged in these accounts in respect of non-executive directors fee is Rs. Nil (2022: Rs. Nil).

30 PLANT CAPACITY AND ACTUAL PRODUCTION (IN TONS)

The production capacity of the whole unit plant on single shift basis, comes to 5,475 tons (2022: 4275) tons per annum. However, the attainable capacity varies on the basis of the product mix determined for the year. The capacity based on the product mix manufactured during the year ended on June 30, 2023 comes to 1,180 tons (2022: 1,123 tons) which is 22% (2022: 26%) of the total capacity.

	Note	2023 Rupees	2022 Rupees
31 CASH AND CASH EQUIVALENTS			
Cash and bank balances		796,571	9,068,543
		-	-
		796,571	9,068,543

31.1 Reconciliation of movements of liabilities to cash flows arising from financing activities

	Habib Metropolitan Bank Trust Receipts Foreign Bills	Others	Total
Opening balance s at 1 July 2022	86,927,714	119,262,784	206,190,498
Received during the year	386,561,347	37,500,000	424,061,347
	386,561,347	37,500,000	424,061,347
Payments during the year	(332,588,952)	-	(332,588,952)
	(332,588,952)	-	(332,588,952)
Net Payments	53,972,395	37,500,000	91,472,395
Closing Balance as at 30 June 2023	140,900,109	156,762,784	297,662,893

32 FINANCIAL RISK MANAGEMENT

32.1 Maturities of financial assets and liabilities as at June 30, 2023

	Mark up bearing maturity			Non-mark-up bearing maturity				
	Up to one year	Over one year up to five years	Sub-total	Up to one year	Over one year up to five years	Over five years	Sub-total	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Financial Assets at amortized cost								
Advances & Deposits	-	-	-	877,692	-	431,710	1,309,402	1,309,402
Trade debts	-	-	-	126,058,519	-	-	126,058,519	126,058,519
Cash and bank balances	-	-	-	796,571	-	-	796,571	796,571
	-	-	-	127,732,782	-	431,710	128,164,492	128,164,492
Financial liabilities at amortized cost								
	-	-	-	-	-	-	-	-
Deferred liabilities						26,333,806	26,333,806	26,333,806
Short term Borrowings	140,900,109	-	140,900,109	156,762,784	-	-	156,762,784	297,662,893
Unclaimed dividend				2,208,846			2,208,846	2,208,846
Creditors, accrued and other liabilities	-	-	-	94,933,103	-	-	94,933,103	94,933,103
	140,900,109	-	140,900,109	253,904,733	-	26,333,806	280,238,539	421,138,648
Sensitivity gap - 2023	- 140,900,109	-	(140,900,109)	(126,171,951)	-	(25,902,096)	(152,074,047)	(292,974,156)

Maturities of financial assets and liabilities as at June 30, 2022

	Mark up bearing maturity			Non-mark-up bearing maturity				
	Up to one year	Over one year unto five years	Sub-total	Up to one year	Over one year unto five years	Over five years	Sub-total	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Financial Assets at amortized cost								
Advances & Deposits	-	-	-	1,416,772		471,710	1,888,482	1,888,482
Trade debts	-	-	-	103,581,551	-	-	103,581,551	103,581,551
Cash and bank balances	-	-	-	9,068,543	-	-	9,068,543	9,068,543
	-	-	-	114,066,866	-	471,710	114,538,576	114,538,576
Financial liabilities at amortized cost								
	-	-	-	-	-	-	-	-
Deferred liabilities						12,156,961	12,156,961	12,156,961
Short term Borrowings	86,927,714		86,927,714	119,262,784			119,262,784	206,190,498
Unclaimed dividend				2,208,846			2,208,846	2,208,846
Creditors, accrued and other liabilities	-	-	-	110,580,770	-	-	110,580,770	110,580,770
	86,927,714	-	86,927,714	232,052,400	-	12,156,961	244,209,361	331,137,075
Sensitivity gap - 2022	(86,927,714)	-	(86,927,714)	(117,985,534)	-	(11,685,251)	(129,670,785)	(216,598,500)

(a) the effective rate of profit / mark-up are disclosed in the respective notes.

(b) On-balance sheet gap represents the net amount of on-balance sheet items.

32.2 **Capital risk Management**

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. During 2021 the company's strategy was to maintain leveraged gearing. The gearing ratios as at June 30, 2023 and 2022 were as follows:

Total borrowings	297,662,893	206,190,498
Cash and bank	(796,571)	(9,068,543)
Net debt / (cash)	296,866,322	197,121,955
Total equity	(53,326,408)	(82,809,535)
Total capital	243,539,914	114,312,420
Gearing ratio in %	1.22	1.72

The company finances its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix of such instruments. Taken as a whole, company is materially exposed to capital risk.

33.3 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk, interest rate risk, and other price risk.

(i) Currency risk

Currency risk arises due to fluctuation in foreign exchange rates. The Company has transactional currency exposure. Such exposure arises from imports by the Company in currencies other than Rupee.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

Sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in the USD exchange rate. If Pakistani Rupee (Pak Rupee) had weakened / strengthened by 40% (2022 30%) against the USD, with all other variables held constant, the effect on the Company's profit for the year (due to changes in the fair value of monetary assets and liabilities) at June 30, 2023 and 2022 would have been as follows:

	Increase (Decrease) US Dollar to Pak Rupee	Effect on profit/(loss) before tax Rupees
2023		
Pak Rupees	+40%	56,978,837
Pak Rupees	-40%	24,419,502
2022		
Pak Rupees	+30%	15,161,922
Pak Rupees	-30%	8,164,112

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The Company is not exposed to commodity price risk.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Term Deposit Receipts. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted.

At the reporting date the interest rate profile of the Company's interest bearing financial instruments is as follows:

Financial liabilities

	2023 Rupees	2022 Rupees
Variable rate instruments		
Habib Metropolitan Bank Trust Receipts Foreign Bills	140,900,109	86,927,714

Cash flow sensitivity analysis for variable rate instruments

A Change of 100 basis in interest rates at the reporting date would have increase/(decrease) profit for the year by the amounts shown below. This analysis assumes that all over variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basic for the prior year.

	Profit or loss (post tax)	
	100 bps increase	100 bps decrease
As at june 30, 2023	(Rupees in thousands)	
Cash flow sensitivity - Variable rate financial liabilities	694,084	695,064
As at june 30, 2022		
Cash flow sensitivity - Variable rate financial liabilities	145,444	165,261

The Sensitivity analysis prepared is not necessarily indivative of the effects on profit for the year and assests/liabilities of the campanies

33.4 Credit Risk

Credit Risk represents the accounting loss that would be recognized in the reporting date if counter parties fail completely to perform as contracted.

Credit risk arises from cash equivalents, deposits with banks, as well as credit exposures to customers and other counter parties which includes loans and advances, trade debts and other receivables. Out of the total financial assets, those that are subject credit risk amounted to Rs. 128 Million (2022: Rs.115 million).

For trade debts, credit risk assessments process determines the credit quality of the customer, taking into account its financial position, past experience and other factors. The utilization of credit limit is regularly monitored. Accordingly, the credit risk is minimal and the company also believes that it is not exposed to major concentration of credit risk.

In respect of other counter parties, due to the company's long standing business relationships with them, management does not expect non-performance by these counter parties on their obligations to the company.

The maximum exposure to credit risk as at June 30, 2023, along with comparative is tabulated follows:

Financial Assets	Note	2023 Rupees	2022 Rupees
Financial Assets at amortized cost			
Advances & Deposits		1,309,402	1,888,482
Trade debts		126,058,519	103,581,551
Cash and bank balances		796,571	9,068,543
		128,164,492	114,538,576
Not past due		55,108,359	82,167,641
Past due 1-30 days		10,674,858	21,413,910
Past due 30-90 days		60,275,302	-
Past due 90 days		108,682	108,682
Allowance for ECL		(108,682)	(108,682)
To manage exposure		126,058,519	103,581,551

To manage exposure to credit risk in respect of trade receivables, management performs credit reviews taking into account the customer's financial position, past experience and other factors. Where considered necessary, advance payments are obtained from certain parties.

The exposure to banks is managed by dealing with variety of major banks and monitoring exposure limits on continuous basis. The ratings of banks ranges from A to AAA

Concentration of credit risk

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly affected by the changes in economic, political or other conditions. The Company believes that it is not exposed to major concentration of credit risk.

33.5 Liquidity Risk

Liquidity Risk is the risk that an entity will encounter difficulties in meeting obligation associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market position. The company maintains flexibility in funding by maintaining availability under committed credit lines.

Financial liabilities in accordance with their contractual maturities are presented :

	Carrying Amount Contractual Cash Flows	On Demad contarctactual cash flow	Six month or less	Six to twelve months	One to Two year	Two to five year
Deferred liabilities	26,333,806	-	-	-	-	26,333,806
Short term Borrowings	297,662,893	156,762,784	140,900,109	-	-	-
Unclaimed dividend	2,208,846	2,208,846	-	-	-	-
Creditors, accrued and other liabilities	94,933,103	49,616,767	45,316,336		-	-
	421,138,648	208,588,397	186,216,445	-	-	26,333,806

33.6 Fair values of Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date

Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the Company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilitie
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset either directly that is, derived from prices
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unadjusted) inputs

Transfer between levels of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred.

The carrying values of all other financial assets and liabilities reflected in the financial statements approximate their fair values

34 OPERATING SEGMENTS

These financial statements have been prepared on the basis of a single reportable segment.

All the sales of the company relates to Plastic Barrels

Total sales of the company relating to customers in Pakistan were 100% during the year ended June 30, 2023 (June 30 2022 100%)

All non current assets of the company as at June 30, 2023 and 2022 are located in Pakistan.

Sales to four major customers of the company are 73% during the year ended June 30, 2023. (June 30 2022 75%)

35 STAFF STRENGTH

Total		
June, 30	46	46
Average	52	51
Plant		
June, 30	39	38
Average	44	42

02 NOV 2023

36 DATE OF AUTHORIZATION

These accounts were authorized for issue on ______________________ by the Board of Directors of the company.

37 GENERAL AND LEVEL OF PRECISION

Figures in these accounts have been rounded off to the nearest rupee.

Chief Executive

Director

Chief Financial Officer

MANDVIWALLA MAUSER PLASTIC IND. LTD.

Pattern of Shareholding

As On 30/06/2023

NO. OF SHAREHOLDERS	<---- HAVING SHARES ----> From	To		SHARES HELD	PERCENTAGE
942	1	100		84359	0.2934
1268	101	500		558258	1.9419
142	501	1000		137981	0.4800
202	1001	5000		597055	2.0768
45	5001	10000		360947	1.2555
13	10001	15000		167900	0.5840
13	15001	20000		235892	0.8205
3	20001	25000		63500	0.2209
6	25001	30000		172032	0.5984
5	30001	35000		166023	0.5775
3	35001	40000		116000	0.4035
2	45001	50000		95500	0.3322
3	55001	60000		177076	0.6160
2	65001	70000		136545	0.4750
1	80001	85000		83652	0.2910
1	90001	95000		95000	0.3305
1	95001	100000		100000	0.3478
1	110001	115000		113000	0.3931
1	125001	130000		129500	0.4505
1	135001	140000		138000	0.4800
1	235001	240000		239800	0.8341
1	400001	405000		404000	1.4053
1	515001	520000		518855	1.8048
1	1165001	1170000		1167970	4.0628
1	1295001	1300000		1296555	4.5100
1	21390001	21395000		21392733	74.4143
2661			Company Total	28748133	100.0000

CATEGORIES OF SHARE HOLDERS

AS AT JUNE 30, 2023

Categories	No. of Share Holders	Total Share Held	Percentage%
Individuals Including Directors	2645	28,534,918	99%
Joint Stock Companies	12	76,715	0%
Financial Institutions	3	135,200	0%
Modarabas & Mutual Funds	1	1,500	0%
Total	**2661**	**28,748,333**	**100%**

Mandviwalla Mauser Plastic Industries Limited

DETAIL OF CATEGORIES OF SHAREHOLDERS
AS AT JUNE 30, 2023

Category of Shareholders	No. of Shareholders / Folio	Share Held
Associted companies, undertakings and related parties	Nil	Nil
NIT and ICP	1	5200
Directors, CEO and their Spouse and Minor Children		
Mr. Azeem H. Mandviwalla (Chief Executive)	2	22,689,288
Mst. Farha Qureshi (Director)	1	500
Mr. Shamim Ahmed (Director)	1	500
Mr. Tariq Mahmood (Director)	1	500
Mr. Abdul Qadir Shiwani (Director)	1	500
Mr. Naseer Ahmed (Director)	1	500
Syed Asghar Ali (Director)	1	800
	8	22,692,588
Exectives	Nil	Nil
Public Sector Companies and Corporations	Nil	Nil
Banks, Development Finance Institutions, Non- Banking Finance Institutions, Insurance Companies, Modarabas and Mutual Funds	3	131,500
General Public (local)	2628	5,793,980
General Public (Foreign)	9	48,350
Joint Stock Companies	12	76,715
	2,661	**28,748,333**

Shareholders Holding 10% or more Voting interst in Company

Total Paid-up Capital of the Company 28748133 Shares
10% of the Public Paid -up Capital 22,689,288Shares